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d.

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25X1C10b

4. New building. (See book for details.)

*Bu B. L. admin. they will not approve new 4.55 Federal funds for this purpose.*

We estimate that if CIA could be housed in one new, properly designed building we could save almost \$4,000,000 per year in guard service, reception staff, couriers and messengers, maintenance, alterations, etc. This saving would pay for a new building in about twelve years.

If we could construct a building for about [REDACTED] employees across "E" Street from our present headquarters location at a cost of \$28,000,000, we could reduce the number of buildings occupied to about twelve and save 2.4 million dollars per year. This saving would pay for the new building in about fourteen years.

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- c. We have withdrawn our request for appropriations twice now in the hope that something could be worked out which would put us into an existing structure. The Public Buildings Service, General Services Administration, is now on record as being opposed to moving CIA into any existing structure and believes that the solution to our problem lies in the construction of a new building.
- d. Question: What is the attitude of the Bureau of the Budget toward CIA requesting an appropriation of up to \$38,000,000 for the construction of a new building?

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B. SUBJECTS WHICH "MAY" COME UP FOR DISCUSSION:

1. Budgeting for the "intelligence community." (Tab F) (To be discussed with Mr. Macy on 5 November at 4:00 p.m.)

- a. The Bureau of the Budget is trying to devise a scheme which would allow it to consider the several budgets of the "intelligence community" as one package. It seems to feel, as did some members of the House Appropriations Committee this past summer, that we should be the "coordinator" of these budgets. In our discussions within the Agency we think that the Intelligence Advisory Committee might agree in principle to the following:

"Where departmental intelligence activities are clearly a need of the department but are deemed also essential to the DCI's responsibility toward the national security, the DCI, after consultation with the IAC, should provide appropriate support in the presentation of such budget items to the Bureau and the Congress and, if necessary, to the department or agency concerned, when it comes to allocation of its appropriation among the various components of that department or agency. This would insure that the Bureau of the Budget, the Congress, and the department or agency, in considering a departmental appropriation, would have full cognizance of the national intelligence implications of functions which otherwise might be thought to be exclusively to meet departmental needs."

- b. Even if this principle is proposed and accepted, it is a problem of great magnitude and infinite complication subject to wide disagreement both on fundamentals and details. If forced into this coordinating role we should accept it with great reluctance.

2. CIA's relations with Congress.

- a. On 14 July 1953 Mr. Dodge suggested that we might discuss an arrangement whereby someone in the Executive Branch of the Government acted as a responsible intermediary element of control between CIA and the Congress. (Tab G) He said he had no specific suggestions to offer but thought that it might be fruitful to explore the matter together. We have discussed this with Messrs. Macy and Perry several times and have received no concrete suggestions. I am quite sure, however, that the Bureau of the Budget would like to be this "responsible intermediary element of control."

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- b. I believe that we are more competent to handle our relations with the Congress than is the Bureau of the Budget. If this subject comes up for further discussion (I don't think that it will) recommend that we point out that we believe the Operations Coordinating Board and the National Security Council are the appropriate bodies in the Executive Branch to serve as intermediaries when necessary.

3. Financing the Operations Coordinating Board.

- a. Our present agreement (Tab H) provides that one-third of the cost of operating the Operations Coordinating Board will be borne by Defense and that two-thirds will be borne by CIA. State provides full administrative support for the Board and staff in lieu of funds. CIA also furnishes some administrative support.....super-grades, consultants, etc. We agreed to the arrangement for Fiscal Year 1954 since the budget is almost identical to our past arrangement for the Psychological Strategy Board and inasmuch as we have provided funds therefor in our current budget. We would much prefer, however, that the OCB have its own budget and "stand on its own two feet" as soon as possible.

No Action  
to date

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4. Fiscal Year 1955 budget. (Probably won't come up....there will be a later meeting with Mr. Dodge.)

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- a. Our "A" or "regular" budget is [REDACTED] for the Reserve.

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- b. Our "B" or "supplemental" budget is roughly [REDACTED]

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- . Emphasize:

- (1) Gap between present capabilities and performance required under NSC Directives.
- (2) Apparatus which has been built up and which must have more money put into it if it is to pay real dividends.
- (3) Make real play for the "B" or "supplemental" budget of [REDACTED]

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5. Transfer to Department of Defense of responsibilities for the support of, and training for, [REDACTED]

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- a. We are now working with Defense on the fourth draft (Tab I) of a memorandum for the Operations Coordinating Board in implementation of the Directive to effect this transfer. A meeting is to be arranged in the very near future for Defense and CIA representatives to discuss the draft with representatives of the Bureau of the Budget.

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